

Essex Pension Fund Board	EPB/35/11
date: 14 December 2011	

Pension Fund Board Knowledge and Skills

Report by the Independent Governance and Administration Adviser

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1. Purpose of the Report

1.1 To provide:

- the generic results of the Training Needs Analysis
- how this will be developed for 2012/13 and
- information on a forthcoming seminar that may be of interest to Board Members.

2. Recommendations

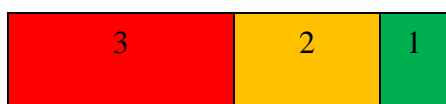
2.1 That the contents of the report be noted.

3. Background

- 3.1 In January 2010, CIPFA published the first comprehensive technical knowledge and skills frameworks for those involved in the day to day financial management and decision-making in public sector pension schemes. As part of this, CIPFA published the expected knowledge requirements for both LGPS Pension Board members and LGPS officers.
- 3.2 At the March 2010 Board meeting it was agreed that the Board would work towards compliance with the CIPFA Knowledge and Skills Framework. Accordingly, the 2011/12 Annual Report and Accounts will include the first statements relating to the compliance against the Framework.

4. Results of Training Needs Analysis

- 4.1 The Training Needs Analysis, to identify training requirements and as an aid to measuring compliance with the Framework, has now been completed by some members. The results have shown that individuals have quite different training needs with results in the various areas of knowledge varying widely. In addition, there appears to be a general need across most members for more training in actuarial matters and the roles and responsibilities relating to pension fund accounting and audit matters. The training plan for 2012/13 will be developed taking into consideration the findings from this exercise.
- 4.2 The average scores will be incorporated into future Fund scorecards. Based on the results to date, the scorecard will show:



This reflects the six areas of knowledge in CIPFA's framework and the average level of knowledge seen in each of these areas for the Members who have completed the scorecard. However, this will be extended with a large grey area to show the number of members where no level of knowledge has been able to be assessed, which is still more than half of the Board members.

- 4.3 Information relating to these results will also be incorporated into the 2011/12 Annual Report and Accounts together with an overview of training undertaken and attendance at training events.
- 4.4 Due to the challenges in evaluating the level of the Board's knowledge, it has been decided that a quicker and more targeting Training Needs Analysis will be developed for the assessment in 2012/13. This will, however, be made available to Board Members in the forthcoming months should any Board Members wish to complete it with a view to improving the level of participation and potentially the scores that will be reported for 2011/12.

5. LGC Investment Summit

- 5.1 A useful way of maintaining up to date knowledge is by attendance at conferences and seminars. One such event is the LGC Investment Summit which will be held at De Vere Carden Park near Chester on 1 and 2 March 2012. The draft programme is attached which covers a wide range of topics.
- 5.2 Any Board members who would like to attend this event should let the Secretary to the Board know by 16 December so that the appropriate places can be secured.

6. Link to Essex Pension Fund Objectives

- 6.1 The training already undertaken and the proposal to aim for compliance with the CIPFA Knowledge and Skills Framework will assist Board members and officers in their efforts towards achieving the following EPF Governance Objectives:
- Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise
 - Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and well based

7. Risk Implications

- 7.1 Maintaining a high level of knowledge is a key objective for the Board. Insufficient knowledge could result in inappropriate decisions being made and/or lack of awareness of issues and opportunities. Given the size of the assets and liabilities being managed, this would be an unacceptably high level of risk for the Fund.

8. Communication Implications

- 8.1 Other than the reporting with the Annual Report and Accounts mentioned within this report, there are no further communications requirements.

9. Finance and Resources Implications

- 9.1 Monitoring progress against the training plan and delivering the necessary training will require additional resources for both officers and Board members but these are not considered to be excessive.
- 9.2 Officers will be used to deliver some of the training at minimal cost to the Fund. There may be other costs resulting in preparation of training and attending conferences/training sessions. To ensure value for money all requests for training or conference attendance not considered to fit with the Fund's objectives will be declined.

10. Background Papers

10.1 EPFB previous reports on EPFB training:

- 28 September 2011 - EPB2611
- 29 June 2011 – EPB1511
- 9 March 2011 – EPB0411
- 15 December 2010 – EPB1910
- 31 March 2010 - EPB0110
- 18 December 2009 – EPB2409